

AMENDED IN ASSEMBLY JUNE 14, 2004

AMENDED IN SENATE MAY 13, 2004

**SENATE BILL**

**No. 1544**

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**Introduced by Senator Figueroa**

February 19, 2004

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An act to amend Section 94999 of, *and to add and repeal Section 94779.2 of*, the Education Code, relating to private postsecondary education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1544, as amended, Figueroa. Private postsecondary education: Private Postsecondary and Vocational Education Reform Act of 1989.

(1) Existing law, known as the Private Postsecondary and Vocational Education Reform Act of 1989, generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education, which, among other things, is required to review and investigate all institutions, programs, and courses of instruction approved under the act. A provision of the act provides for its repeal on January 1, 2005.

The existing act establishes the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. The existing act specifies that certain violations of its provisions are subject to civil penalties and that certain willful violations of the act are punishable as crimes.

This bill would ~~instead~~ *require the Director of Consumer Affairs to appoint a Bureau of Private Postsecondary and Vocational Education*

*Operations and Administrative Monitor by December 31, 2004. The bill would require the monitor to, among other things, assess the bureau's administrative operations and to submit a report to the director, the bureau, and the Legislature by October 1, 2005. Those monitor provisions would become inoperative on April 1, 2006, and would be repealed as of January 1, 2007. The bill would also require that the act ~~be repealed on January~~ become inoperative on July 1, 2007, and thereafter be repealed on January 1, 2008, thus extending operation of the act by 2 and <sup>1</sup>/<sub>2</sub> years, and thereby making an appropriation by extending the existence of the continuously appropriated Student Tuition Recovery Fund. By extending the operation of the provisions of the act that establish crimes, the bill would impose a state-mandated local program.*

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1.

2 94779.2. (a) (1) *The Director of Consumer Affairs shall*  
3 *appoint a Bureau of Private Postsecondary and Vocational*  
4 *Education Operations and Administrative Monitor no later than*  
5 *December 31, 2004. The director may retain a person for this*  
6 *position by a personal services contract. In this connection, the*  
7 *Legislature finds, pursuant to Section 19130 of the Government*  
8 *Code, that this is a new state function.*

9 (2) *The director shall supervise the operations monitor and*  
10 *may terminate or dismiss him or her from this position.*

11 (b) *The director shall advertise the availability of this position.*  
12 *The requirements for this position shall include experience in*  
13 *performing audits of or operating state administrative regulatory*  
14 *agencies, familiarity with state laws, rules, and procedures*  
15 *pertaining to the bureau, and familiarity with relevant*  
16 *administrative procedures.*

1 (c) (1) *The operations monitor shall assess the bureau's*  
2 *administrative operations, including its school approval,*  
3 *applicant review, revenue collection, and complaint and*  
4 *enforcement processes and procedures with the primary goal of*  
5 *improving the bureau's overall efficiency and compliance with*  
6 *state laws.*

7 (2) *This monitoring duty shall be on a continuing basis for a*  
8 *period of no more than two years from the date of the operations*  
9 *monitor's appointment and shall include, but not be limited to,*  
10 *improving the quality and consistency of complaint processing and*  
11 *investigation and reducing timeframes for each, reducing any*  
12 *complaint backlog, and ensuring consistency in the application of*  
13 *sanctions or discipline imposed on regulated institutions and*  
14 *persons. Further, this monitoring duty shall include, but not be*  
15 *limited to, improving quality and timeliness of application and*  
16 *approval processes for regulated institutions and persons, the*  
17 *collection of fees, the collection of information from, and the*  
18 *ability to disseminate information regarding, those entities or*  
19 *person regulated by the bureau, and improving the bureau's ability*  
20 *to perform outreach to prospective students of private*  
21 *postsecondary and vocational educational institutions.*

22 (3) *The operations monitor shall exercise no authority over the*  
23 *bureau's management or staff; however, the bureau and its staff*  
24 *shall cooperate with him or her, and shall provide data,*  
25 *information, and files as requested by the monitor to perform all*  
26 *of his or her duties.*

27 (4) *The director shall assist the operations monitor in the*  
28 *performance of his or her duties, and the operations monitor shall*  
29 *have the same investigative authority as the director.*

30 (d) *The operations monitor shall submit an initial written*  
31 *report of his or her findings and conclusions to the director, the*  
32 *bureau, and the Legislature no later than October 1, 2005, and*  
33 *every six months thereafter, and shall be available to make oral*  
34 *reports to each if requested to do so. The operations monitor may*  
35 *also provide additional information to either the department or the*  
36 *Legislature at his or her discretion or at the request of either the*  
37 *department or the Legislature. The operations monitor shall make*  
38 *his or her reports available to the public and the media. The*  
39 *operations monitor shall make every effort to provide the*  
40 *department and the bureau with an opportunity to reply to any*

1 facts, finding, issues, or conclusions in his or her reports with  
2 which the department or the bureau may disagree.

3 (e) The bureau shall reimburse the department for all of the  
4 costs associated with the employment of an operations manager.

5 (f) This section shall become inoperative on April 1, 2006, and,  
6 as of January 1, 2007, is repealed, unless a later enacted statute,  
7 that becomes operative on or before January 1, 2007, deletes or  
8 extends the dates on which it becomes inoperative and is repealed.

9 SEC. 2. Section 94999 of the Education Code is amended to  
10 read:

11 ~~94999. This chapter shall remain in effect only until January~~  
12 ~~1, 2007, and as of that date is repealed, unless a later enacted statute~~  
13 ~~that is enacted on or before January 1, 2007, deletes or extends that~~  
14 ~~date.~~

15 SEC. 2.—

16 This chapter shall become inoperative on July 1, 2007, and, as  
17 of January 1, 2008, is repealed, unless a later enacted statute, that  
18 becomes operative on or before January 1, 2008, deletes or  
19 extends the dates on which it becomes inoperative and is repealed.

20 SEC. 3. No reimbursement is required by this act pursuant to  
21 Section 6 of Article XIII B of the California Constitution because  
22 the only costs that may be incurred by a local agency or school  
23 district will be incurred because this act creates a new crime or  
24 infraction, eliminates a crime or infraction, or changes the penalty  
25 for a crime or infraction, within the meaning of Section 17556 of  
26 the Government Code, or changes the definition of a crime within  
27 the meaning of Section 6 of Article XIII B of the California  
28 Constitution.

